

## APPENDIX I

### **LEGISLATIVE ACTIVITIES - 106<sup>TH</sup> CONGRESS**

The 106<sup>th</sup> Congress has introduced several bills designed to address various aspects of the Y2K problem. The text of these bills, most of which are referenced below, can be found on the federal government's legislative Web site, <http://thomas.loc.gov>.

#### **Small Business Year 2000 Readiness Act, Public Law No. 106-8**

The Act authorizes the Small Business Administration to provide loan guarantees for two purposes:

- To enable small businesses to purchase the systems, software, equipment, and services necessary to become Y2K compliant; and
- To assist small businesses that suffer economic injury as a result of the Y2K problem during the Year 2000.

The program's authorization ends on December 21, 2000. The President signed the bill into law on April 2, 1999.

#### **Y2K Act, Public Law No. 106-37**

The Act is intended to encourage Y2K remediation instead of Y2K litigation by imposing modest limitations on Y2K liability. Among other things, it provides for:

- a 90-day "cure" period during which a potential defendant can resolve a Y2K problem for which it is responsible prior to, and perhaps instead of, the filing of a lawsuit;
- heightened pleading requirements to discourage frivolous litigation;
- a duty to mitigate damages that could have been avoided if readily available information had been used;
- damages in contract limited to those damages specified in the contract;
- a cap on punitive damages for individuals and small businesses. The cap is the lesser of three times compensatory damages or \$250,000, and does not apply if the defendant acted with specific intent to injure the plaintiff;
- proportionate liability, with some exceptions; and
- a requirement that an alleged defect must be a material one for the majority of class members in order to maintain a class action.

The Act's coverage ends on January 1, 2000. The President signed the bill into law on July 20, 1999.

#### **S. 174, Y2K State and Local Government Assistance Programs Act of 1999**

This bill establishes a program to provide grant funding for states to correct Y2K problems in computers used to administer state and local government programs. Similar legislation, H.R. 909 and H.R. 1022, was introduced in the House.

#### **S. 461, Year 2000 Fairness and Responsibility Act**

#### **S. 738, Y2K Fairness in Litigation Act**

These bills were additional efforts to encourage Y2K remediation instead of litigation by providing circumscribed limitations on liability. Similar bills in the House included H.R. 192 and H.R. 1319.

## **Investigating The Year 2000 Problem: The 100 Day Report**

### **S. 962, Small Business Y2K Compliance Act of 1999**

This bill allows a deduction from gross income for Year 2000 computer conversion costs of small businesses. The aggregate amount of the deduction shall not exceed \$40,000. Similar legislation, H.R. 179, was introduced in the House.

### **H.R. 1447, National Y2K Test Day**

### **H.R. 1887, National Information Disclosure Month Act**

These bills were introduced to encourage federal, state, and local agencies to participate in a National Y2K Disclosure Day and Month for the purpose of disclosing the readiness of mission-critical computer systems, contingency planning efforts, and advance notice of potential problems.

### **H.R. 1502, Year 2000 Act**

This bill requires the federal government to ensure that no significant Y2K disruptions occur; develop an outreach program to help small- and medium-sized businesses; report to Congress on international Y2K implications; develop a consumer awareness program; develop an outreach program to help healthcare providers; and develop an outreach program to help drinking water suppliers and wastewater treatment processors.

### **H.R. 1599, Year 2000 Compliance Assistance Act**

This bill would amend federal law to authorize the purchase of information technology related to Y2K conversion by state and local governments through federal supply schedules.